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RUEHBO/AMEMBASSY BOGOTA 1687
RUEHME/AMEMBASSY MEXICO CITY 0841
RUEHGT/AMEMBASSY GUATEMALA CITY 0110
RUEHRI/AMCONSUL RIO DE JANEIRO 8812
RUEHRG/AMCONSUL RECIFE 4172
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USDOC ALSO FOR 3134/USFCS/OIO
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SUBJECT: SOUTHERN BRAZIL: AMBASSADOR'S VISIT STRENGTHENS TIES

SENSITIVE BUT UNCLASSIFIED- PLEASE PROTECT ACCORDINGLY

SUMMARY

¶1. (U) Ambassador Clifford Sobel traveled to the city of Curitiba, capital of the State of Parana, Brazil August 3-4, 2008. During his visit to Curitiba, Ambassador Sobel visited the American Chamber of Commerce (AmCham), met with the Governor of Parana, Roberto Requico, was a featured speaker at the Seventh Annual International Association of Chiefs of Police Conference, met with Rodrigo da Rocha Loures, President of FIEP (Federation of Industries of Parana), and finished with a meeting with the Mayor of Curitiba, Carlos Alberto (Beto) Richa. Ambassador Sobel's visit to Curitiba helped Mission Brazil strengthen contacts with important business, law enforcement and political figures in the State of Parana. End Summary.

AMERICAN BRAZILIAN CHAMBER OF COMMERCE- CURITIBA

¶2. (U) Ambassador Sobel started his visit with a business breakfast at AmCham Curitiba. With the AmCham in full attendance -- including representatives of Kraft Foods Brazil, Price Waterhouse, Philip Morris and the leading Curitiba newspaper Gazeta do Povo -- Amb Sobel made a brief presentation. He said that it was an exciting time to live in Brazil, with increasing opportunities for engagement with the U.S., including, educational opportunities, and private/public partnerships, such as the CEO Forum and Corporate Social Responsibility (CSR) programs. Amb. Sobel noted that President Lula's and President Bush's direct, personal engagement in all of these areas has markedly strengthening U.S.-Brazil relations.

¶3. In his remarks, Amb. Sobel cited various measures of the

accelerating bilateral economic relationship between the U.S. and Brazil:

--Bilateral trade is up 10 percent;

--Brazilians are buying 15 percent of the American Depositary Receipts (ADRs--shares of foreign companies purchased without undertaking cross-border transactions) offered in the US;

--There is significant interest in signing both an investment and tax treaty between the two nations (for the first time in over forty years), and a signed bilateral aviation agreement that potentially could benefit Curitiba as it was identified as one of the five cities to possibly benefit from expanded flights to the US.

14. The Ambassador also highlighted the Brazil-US CEO Forum for much of the movement in these areas, and highlighted activities of Mission Brazil's Corporate Social Responsibility (CSR) program by encouraging Curitiba area AmCham members to reach out more to the community. He also pointed out the upcoming visit of USAID Administrator Henrietta Fore to Sao Paulo as part of our CSR publicity efforts in Brazil.

PARANA GOVERNOR ROBERTO REQUIAO

15. (SBU) Ambassador Sobel next visited the Governor of the State of Parana, Roberto Requio. Their conversation centered on the successes of the Parana economy in comparison to the rest of Brazil.

Governor Requio said that the State of Parana tax policies encouraged growth by moving micro and small businesses into the

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formal economy more quickly. In addition, Curitiba and Parana have always benefitted from long term planning by the state. Results have been impressive and business failures are half of what they are in Brazil overall- according to Requio. Ambassador Sobel encouraged Requio to reach out to the Council of the Americas (COA) and consider inviting COA President Susan Siegel for a visit to Curitiba and Parana. (Note: The conversation briefly touched on the Tri-border area. The Governor dismissed claims of terrorist presence or terrorists fund-raising in the area. He insisted that resident business persons of Middle Eastern origin were not involved in illegal activities and were simply sending money to families back home in the Middle East. End Note.)

16. (SBU) Remarking on the Ambassador's presentation at the Chiefs of Police Conference, the Governor stated that Parana has benefitted from community policing. The addition of mobile units, direct contact with citizens, and home visits has created a good relationship between law enforcement officials and the community. One of the Governor's greatest concerns was policing in squatter settlements where it is difficult to develop a lasting police relationship with the area's inhabitants. Requio further commented that crack cocaine has now replaced cheap alcohol as the drug of choice for young people in Parana, creating considerable law enforcement problems. Upon meeting LEGAT David Brassanini, the Governor offered to support US law enforcement efforts in Parana in combating illegal activities such as narcotics and IPR abuses.

ASSOCIATION OF CHIEFS OF POLICE CONFERENCE (IACP)

17. (U) Ambassador Sobel was a featured speaker at the Seventh Annual IACP convention, an international gathering of over 300 police chiefs. The Ambassador began by announcing that the US Department of State and Brazil had signed bilateral counter narcotics agreement to help increase drug enforcement training and education in Brazil. This landmark agreement will help Brazilian Federal Police elements in their efforts to combat illegal drugs. The Ambassador then outlined US Government support for Brazil's efforts to improve narcotics enforcement and enhance international cooperation in this area. The Ambassador emphasized that regional efforts, expanded training, improved use of better equipment and high technology, and continued exchanges of law enforcement officers between the US and Brazil would help both countries counter the scourge of illegal narcotics.

RODRIGO DA ROCHA LOURES, PRESIDENT OF FIEP

18. (SBU) Ambassador Sobel met with Rodrigo da Rocha Loures, President of the State of Parana Council of Industries. Ambassador Sobel began the meeting by remarking that everybody talks about the success of Parana and Curitiba. He asked why the area was so economically successfully in comparison to other areas of Brazil. Rocha said that Parana's strength results from several factors: the region's successful agribusinesses, its large automobile manufacturing base, its ability to attract entrepreneurs to the region, and the strategic vision of the local business class and their capacity for innovation. Rocha also noted that FIEP and Parana are focusing their future on energy production (bioelectricity), an improved health care system, agribusiness and tourism (Foz do Iguacu). FIEP has strategic partners for their innovation program with MIT, Case Western and Cornell University. Ambassador Sobel encouraged FIEP to reach out to two organizations: the Council of the Americas and the Jorge Gerdau Johanpetter-led NBC group in Brazil. Rocha is interested in connecting FIEP's "Nova Parana" program with outside sources so he can improve innovation in

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the State of Parana. According to Rocha, Curitiba is in the running to host a major innovation congress in October 2008. Ambassador Sobel offered Mission Brazil's assistance in finding speakers for future innovation projects and offered to help FIEP make contact with U.S. universities. (Note: Brazilian PMDB Federal Deputy Rodrigo Rocha Loures, son of FIEP President Rocha Loures, was also present. Ambassador Sobel inquired about the state of tax offsets and how the offsets are going to be resolved noting that many US companies have billions of dollars of promised offsets with the Brazilian States. Deputy Rocha answered that "fifty percent of the offsets will be returned and the other half will disappear." End Note.)

MAYOR OF CURITIBA - CARLOS ALBERTO (BETO) RICHIA

19. (SBU) During his visit to FIEP, Ambassador Sobel met Curitiba Mayor Carlos Alberto Richa. Richa commented that he had recently traveled to San Francisco for a climate change conference sponsored by the Clinton Foundation. He said that Curitiba was interested in building a technological park and that thirty Brazilian companies had already expressed interest in the project. Ambassador Sobel encouraged Richa to speak with Michele Levy of Microsoft and, as well, with Motorola and Dell. Ambassador Sobel invited Mayor Richa to visit him in Brasilia after the October municipal elections.

MEDIA COVERAGE

110. (U) During Ambassador Sobel's visit to Curitiba, he was interviewed by CBN and Gazeta do Povo at the AmCham and by Folha-Curitiba, O Estado-Curitiba and CBN during the IACP conference. CBN and Gazeta do Povo had positive articles on the Ambassador's visit to the AmCham. They highlighted the Ambassador's statements that the US is still interested in seeking a diplomatic solution to Doha and that Curitiba is one of five cities being considered for direct air routes to the United States. Agencia Estado erroneously reported that Ambassador Sobel was meeting with Minister of the Environment Carlos Minc to discuss the recent release of the Amazon Fund, when in fact he was asking Minc about a possible meeting between Minc and USAID Fore. Folha-On Line correctly reported that Ambassador Sobel needed more time to review the Amazon Fund proposal before commenting. Electronic journal Tribuna News gave favorable coverage to the Ambassador's visit to Governor Requiiao and emphasized US efforts in support of Parana law enforcement efforts.

COMMENT

111. (SBU) Ambassador Sobel's visit to Curitiba was highly productive. He met with the highest political and commercial contacts in the State of Parana. The Ambassador also described some of the positive benefits of working with US law enforcement before one of the largest law enforcement gatherings in South America. He won the likely political support of both the Mayor of Curitiba and the Governor of Parana for future academic and law enforcement

exchanges. End Comment.

¶12. (U) This cable was coordinated with the Embassy in Brasilia and cleared by Ambassador Sobel.

WHITE